

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2113

**DATE:** April 7, 2015

**Version:** Delete everything amendment (A15-0385)

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**Subject:** Special Education Aid Payments; Charter Schools

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### Overview

In Minnesota, special education aid is paid to school districts and charter schools based on the serving schools' special education costs and population characteristics. Unreimbursed expenses are charged back to the district of residence. For fiscal years 2015 and later, 90 percent of the unreimbursed qualifying expenses are charged back to the resident district unless the services are provided through an intermediate school district, cooperative, or charter school where at least 70 percent of the school's enrollment is eligible for special education services, in which case 100 percent of the unreimbursed costs are charged back to the resident district.

Special education aid is paid to school districts and charter schools on the twice monthly metered aid payment schedule.

This bill increases the cash flow to a charter school where at least 90 percent of the enrollment is eligible for special education services and provides additional funding for the students attending these schools who are not eligible for special education services.

#### Section

- 1** **Special education aid.** Redirects a cross reference.
- 2** **Definitions; charter school special education aid.** Defines "budgeted unreimbursed costs" as the difference between the total budgeted cost of educating all enrolled students less the budgeted amount of total state and federal aid, revenue and grants, but excluding the new

## Section

accelerated unreimbursed costs aid created in section 3. “Defines eligible special education charter school” as a charter school where at least 90 percent of the students served qualify for special education services. Defines “revised unreimbursed costs” as the difference between the total budgeted costs for all services less the budgeted amounts of total state aid and federal aid less the new aid created in section 3.

- 3 Accelerated unreimbursed cost aid.** Creates a new aid for an eligible special education charter school. Sets the aid equal to the school’s budgeted unreimbursed costs. Requires the commissioner of education to adjust aid payments so that the cumulative payment is 95 percent of the total entitlement, if the school’s revised unreimbursed costs are less than 95 percent of the budgeted reimbursed cost.
- 4 Nonresident tuition rate; other costs.** Requires that when a charter school is receiving accelerated aid under section 3 and provides special instruction and services for a child with a disability that the aid paid to the resident district is reduced by an amount of aid excluding the new aid.
- 5 Payment dates and percentages.** Accelerates the “clean-up” payment for an eligible special education charter school so that 75 percent of the cleanup payment is made on July 15, and the remaining 25 percent of the cleanup payment is made on October 30.
- 6 Alternative attendance program.** Requires that downward adjustment to the aid paid to a resident school district be computed prior to the calculation of the accelerated aid under section 3. Reduces the general education aid paid to a resident school district by an amount equal to 100 percent of the unreimbursed costs of general education provided to a student not eligible for special education attending an eligible special education charter school.
- 7 Appropriation.** Appropriates \$700,000 in fiscal year 2016 and \$800,000 in fiscal year 2017 for accelerated unreimbursed costs aid.